

D
R
A
F
T

1116

Honorable Walter F. George
Chairman, Committee on
Foreign Relations
United States Senate
Washington 25, D. C.

Dear Senator George:

In accordance with a request by your staff, an Executive Branch position has been developed on the amendment to H.R. 11356 intended to be proposed by Senator Douglas which would create a new "Freedom Administration".

The Executive Branch is in full accord with the policy stated in this proposal, to resist the spread of Communism and to keep alive in the hearts of enslaved people the spirit and hope of freedom. As you know, certain of our programs are pointed exactly toward this objective, The Voice of America is one such program, and there are others as you are aware. As of the present, there does not appear to be any lack of authority to pursue this objective.

However, the Executive Branch does not favor the passage of this amendment, for the following reasons:

First, at a time when Soviet tactics appear to be shifting toward a less beligerant posture, the question is raised whether it would serve United States' interests to create a new agency designed to associate officially and financially with the activities of the organizations to which the proposed amendment may have had reference. This is a question which cannot be discussed fully in an unclassified document, but which appropriate officials of the

Executive Branch would be happy to discuss with Senator Douglas. Regardless of Senator Douglas' intention in proposing the amendment, it unfortunately will be seized upon by Communist propaganda instruments, as a warlike act. We know that this is not true but our experience with Soviet propaganda indicates that it will be so misconstrued.

Second, the provision of the nationalities of the seven deputy administrators together with the requirement for the concurrence of a majority of such deputies is administratively cumbersome.

Third, it is not believed that the important decision as to the proper amounts of money for such activities should be determined by the size of an entirely separate program, the Mutual Security Program.

Fourth, it is not believed that the proposed Administration, which is not a business-type agency with profits and losses, should be subject to the provisions of the Government Corporation Control Act.

Fifth, it is believed that providing for the financing of smaller programs from unspecified funds within the Mutual Security Program, although it may be convenient in any given case, is a precedent most urgently to be avoided. The fact that the many activities carried on under the Mutual Security Act add to a large total does not mean that such a total has excess funds which can be used for other purposes without a corresponding loss in achievement of Mutual Security objectives.

Yours very sincerely,